



THE NATURAL RESOURCE DAMAGE ASSESSMENT SETTLEMENT

RESTORATION PLAN

Marathon Pipeline, Rosedale, IN
Marathon Pipeline, Catlin, IN
Marathon Pipeline, Daylight, IN

August 2006

Indiana Department of Natural Resources

Department of the Interior
U.S. Fish and Wildlife Service

Indiana Department of Environmental Management

Introduction

This restoration plan is proposed by the natural Resource Trustees, represented by the Indiana Department of Natural Resources (DNR), U.S. Fish and Wildlife Service (USFWS), and the Indiana Department of Environmental Management (IDEM), to compensate for natural resources injured, or lost, as the result of the discharge of oil or other petroleum products from pipelines owned or operated by Marathon in and around Rosedale, Catlin and Daylight, Indiana on August 24, 1997, March 30, 1999, and April 7, 1999 respectively. Implementation of this plan will be conducted by the Natural Resource Trustees under the authority of the Clean Water Act (CWA), and the Oil Pollution Act (OPA).

Background of Incidents and Settlement

Rosedale, IN

On August 24, 1997, there was a Marathon Pipeline break at Rosedale, Parke County, Indiana. Approximately 463,680 gallons of crude oil were released into a soybean field and an agricultural drainage ditch effectively inundating 41.25 acres of wetlands in the floodplain of Big Raccoon Creek about 10 miles upstream of the Wabash River. USEPA Region 5, by a Unilateral Agreed Order (UAO), oversaw the remediation but asked IDEM to review the progress. On 11/18/2005, the EPA sent Marathon a letter stating technical aspects of the UAO had been met. There is an agreement in principal of No Further Action, but the official letter is in the legal process.

Catlin, IN

On March 30, 1999, in or around Catlin, Parke County, Indiana, a broken Marathon pipeline released an estimated 1,500 barrels of #2 diesel fuel. About 1,000 barrels were recovered, but some of the remaining oil entered Little Raccoon Creek, thereby contaminating 2.8 miles of creek and 24 acres of riverine habitat. Remediation consisted of removing field tile, cleaning the product from the ditch, and excavating the contaminated soils. The soils were placed in landfarm cells for bioremediation and monitoring wells were installed. On December 3, 2003, IDEM issued a No Further Action letter on this site.

Daylight, IN

On April 7, 1999, 1.5 miles east of Daylight, Vanderburgh County, IN, an estimated 250 gallons of crude oil was released into 2.36 acres of wetland habitat. The oil plume entered Bluegrass Creek and injured 5.7 acres of riverine habitat.

On July 19, 2005 a Consent Decree between the United States, the State of Indiana, and Marathon Oil Company was entered in the United States District Court, for the Southern District of Indiana, Terre Haute Division (Civil Action No. 2:05-cv-0090-LJM-WGH) which fully describes the terms of this Natural Resource Damage Assessment settlement agreement. As part of this agreement Marathon transferred in fee title approximately 56.64 acres of riparian flood

plain habitat (referred to as the Rosedale Property) to the Indiana Department of Natural Resources to settle claims for natural resource damages arising from the release of oil or other petroleum products.

Project Coordination

The natural Resource Trustees collectively will be responsible for overall project coordination and support. They will work together to ensure that projects meet the NRDA requirements and fulfill the goals of this restoration plan. The Trustees will be responsible for project development and any other necessary restoration procedures. Approval of restoration projects, sites, activities, and fund allocation will be through unanimous agreement by the Natural Resource Trustees.

Goal and Objectives of Restoration

The goal of this restoration plan is to address the resource injuries resulting from the releases of oil and its products from Marathon pipe line spills at Rosedale, Daylight, and Catlin, Indiana. This goal can be achieved through restoration, replacement and/or acquisition of the equivalent of injured natural resources.

Restoration Alternative Development and Evaluation

A reasonable range of restoration alternatives to address one or more specific injuries while making the environment and public interests whole were considered, including the natural recovery/no action alternative, as well as the primary and compensatory restoration alternatives. For each alternative, consideration will be given to costs, benefits, likelihood of success, and effects on public health and safety.

The following are three alternatives the trustees identified to meet the requirements of the NRDA laws, as well as fulfill the goal and objectives of this Restoration Plan.

1. No further action: This alternative would comprise of no action to be taken to restore resources injured by the releases of oil from the Sites except through natural recovery. No steps are taken to compensate the public for the interim losses to natural resources from the time of the incident until recovery is achieved or for the uncertainty associated with the results of natural recovery.
2. Primary restoration of the impacted areas: This alternative would provide for efforts to remove the remaining oil and degradation products from the impacted and affected off-site areas. This would include restoration of the surface water, associated wetlands, stream channels, and riparian areas.
3. Restoration of resources impacted by the spills; or that will serve as compensation for injured resources through acquisition, rehabilitation and protection of equivalent

resources: This alternative would restore the injured resources and the services they provided by increasing the occurrence of, and/or enhancing or restoring habitats that will support these resources.

Summary of Environmental Consequences by Alternatives

Alternative #1: The goal of this restoration plan is to address the resource injuries resulting from the releases of oil and oil byproducts into fish and wildlife habitats. This alternative does not allow for restoration, replacement, and/or acquisition of equivalent resources injured in the spill. Without restoration, compensation for injury to natural resources would not occur.

Alternative #2: The remedial actions undertaken by the responsible party at the site served to isolate, contain and prevent further releases of oil and associated hazardous substances. Complete remediation of the impacted area was not deemed feasible since such removal actions would result in extensive soil and sediment removal that would involve dredging in-stream wetlands. These actions would involve further destruction of aquatic organisms and wildlife with their associated habitats. The complete remediation of the area is not considered beneficial to wildlife, would increase clean-up cost, and require further restoration due to additional injuries. Also, there would be no compensation for interim losses during the remedial action.

Alternative #3: Replacement and/or restoration of habitats that support injured resources is the preferred alternative of the Trustees. This alternative was selected because it best meets the goal of the restoration plan: to address the injuries resulting from the releases of oil and oil byproducts. This alternative will focus limited restoration monies on areas where maximum restoration, replacement and/or acquisition of the equivalent injured resources can be achieved.

Restoration Process

The purpose of this Restoration Plan is to permanently retire previously farmed property (Rosedale property) located adjacent to, and including the injured resources in the Big Raccoon Creek flood plain north of Rosedale, IN. The property will be reforested depending on available funds and availability of riparian species. If funds are lacking, reforestation will occur through ecological succession to bottomland hardwoods. This parcel comprises 56.64 acres of bottom land with approximately 4,000 feet of riparian corridor along Big Raccoon Creek (Fig 1).



Figure 1. Restoration Area

Anticipated Benefits of Restoration

The reforested bottomland/riparian habitat will provide three major ecological functions; 1) the improvement of the quality of the water entering Big Raccoon Creek; 2) the protection of the riparian corridor protection; and 3) the creation of wildlife habitat. The property was previously farmed and prone to flooding. Under the restoration plan, the riparian reforested habitat will provide a vegetative cover that will limit the amount of soil transported to the Creek during storm events. The forested area will help retain sediment contained in the flood waters from re-entering the creek. The temporary water pools will provide breeding areas for amphibians. The forested riparian corridor will help keep the banks stabilized and limit soil erosion from the river banks. The mature trees will help shade and cool the creek waters during the hot summer months. There will be a net gain in habitat that will benefit wildlife from arthropods to upper tropic level predators. The public will regain loss by being able to use the property for fish and wildlife related purposes.

Monitoring Restoration Effectiveness

Monitoring the implementation of the restoration plan will be done by the Natural Resource Trustee designated representatives. The reforested area will be inspected to assure the success of the reforested areas. Replanting where needed will be considered on a case by case basis as to whether replanting will be successful and the availability of funds.

Schedule and Budget

The project will be initiated in FFY 2007 (SFY 2006) and will be managed cooperatively by the Natural Resource Trustees. A total of \$8,487.76 plus \$148.43 in interest is available for title insurance (approximately \$1,300.00) and restoration. The trustees will continue to develop restoration projects until the restoration funds are exhausted.

Final Report

At the completion of the project, a final report documenting the implementation of this restoration plan will be prepared. Restoration activities and supporting data will be included in the report.

Project Contacts

Dr. Wayne C. Faatz
Division of Fish and Wildlife
Department of Natural Resources
IGC South Rm. W273
402 W. Washington St.
Indianapolis, IN 46204-2781
317-232-4098
(Wfaatz@dnr.IN.gov)

Mr. Mike Tosick
U.S. Department of Interior
U.S. Fish and Wildlife Service
620 S. Walker Street
Bloomington, IN 47403-2121
812-334-4261, Ext. 318
(michael_tosick@fws.gov)

Carl Wodrich
Office of Land Quality
Indiana Department of Environmental Management
100 N. Senate St.
MC66-31, IGCN 1101
Indianapolis, Indiana 46205-2251
317-233-0447
(cwodrich@idem.IN.gov)

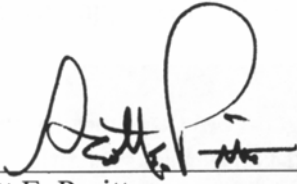
**NATURAL RESOURCE DAMAGE ASSESSMENT SETTLEMENT
RESTORATION PLAN**

Co-Trustee concurrence on the Final restoration Plan for:

Marathon – Rosedale

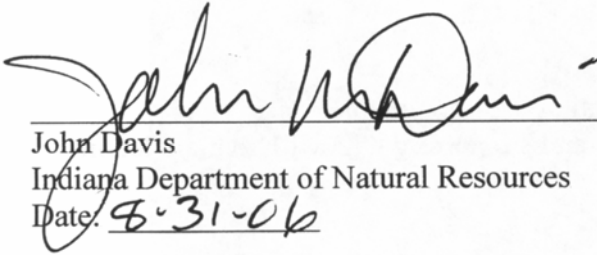
Marathon – Catlin

Marathon – Daylight



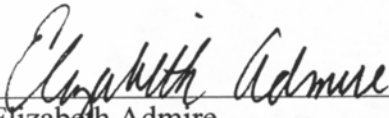
Scott E. Pruitt
U.S. Fish and Wildlife Service

Date: 8/18/06



John Davis
Indiana Department of Natural Resources

Date: 8-31-06



Elizabeth Admire
Indiana Department of Environmental management

Date: 8/24/06